

Claims Clues

A Monthly Publication of the AHCCCS Claims Department

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Implementation of Prop. 204 Under Way

The initial implementation phase of Proposition 204 also called the Healthy Arizona Initiative, is going smoothly, and the program should be in full operation by Oct. 1.

Proposition 204 was approved by Arizona voters in November to expand eligibility under AHCCCS and to fund select non-AHCCCS health care programs if sufficient money is available.

By the year 2005, AHCCCS is expected to add between 137,000 and 185,000 new members. Currently AHCCCS has about 555,000 members on its rolls.

The proposition required that AHCCCS eligibility levels be expanded to 100 percent of the federal poverty level (FPL), which currently is \$696 a month for an individual and \$1,421 for a family of four.

At present, eligibility levels for AHCCCS programs range from a low of about 34 percent of FPL

for some eligibility categories all the way to 200 percent of FPL for others, such as KidsCare and Premium Sharing. Proposition 204 raises eligibility for those Medicaid categories below the FPL but does not affect those above the level.



In 1996, voters passed a similar proposition -- Proposition 203 -- to expand AHCCCS, but it required federal participation before it could be implemented. Proposition 204 said the expansion had to take place whether the federal government gave Arizona matching money or

not. If no federal dollars were available, Proposition 204 had to be implemented entirely with the state's tobacco settlement money.

Since 1997, AHCCCS officials and the governor's office have been negotiating federal approval for the expansion called for by Proposition 203. On Jan. 18, approval finally came. Since the two propositions were alike, the approval benefited Proposition 204 as well.

There were two major stumbling blocks along the way -- the issue of a "cap" or limit on the number of new members because of budget limitations, and the issue of staying within the federal government's definition of budget neutrality.

As part of its waiver proposal, AHCCCS asked that the Medically Needy/Medically Indigent (MN/MI) population be recognized as a federal category. If approved, the millions in state
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Tired of Being on Hold? Try IVR for Verifications

Providers who call the AHCCCS Communications Center to verify eligibility may find themselves experiencing long waits before their calls are answered.

This is due to an increase in the number of calls related to the new programs being initiated by AHCCCS in response to Proposition 204.

But the AHCCCS Interactive Voice Response (IVR) system is never busy. IVR allows providers to verify eligibility by entering information on a touch-tone telephone and responding to recorded prompts.

Providers may contact the IVR system by calling:

- (602) 417-7200 (Phoenix area)
- 1-800-331-5090 (All others)

Providers who would like more information on the IVR system should contact the AHCCCS Communications Center. The staff will fax IVR information to the provider.

Providers may contact the Communications Center at:

- (602) 417-7000 (Phoenix area)
- 1-800-962-6690 (All others) ☐

AHCCCS Prepares to Implement Proposition 204

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dollars spent on this group would be reduced drastically because the federal government reimburses Arizona 65 percent for each dollar spent on Medicaid recipients.

But the savings, although large, would still have a limit. AHCCCS proposed to limit, or cap, the number of new people entering the program, depending on dollars available. The federal government disagreed because Medicaid is an entitlement program available to as many people as can qualify.

The issue was resolved last fall by use of a "trigger" mechanism that allowed Arizona to scale back enrollment if money became scarce. Proposition 204, however, does not recognize such a trigger, but the mechanism remains in the waiver because it had already been negotiated when Proposition 204 was passed in November.

The addition of thousands of new AHCCCS recipients will impact the spending curve the federal government recognizes as budget neutral.

The federal government

eventually accepted Arizona's proposal which included the state giving up most of the federal disproportionate share funding coming into Arizona.

Disproportionate share funding is federal money paid to hospitals that treat a disproportionate number of indigent patients. Most of this money -- about \$120 million -- goes to Maricopa and Pima county hospitals and the Arizona State Hospital. Arizona kept only about \$18 million earmarked for private hospitals.

"We expect the expansion of AHCCCS will offset this loss because currently, hospitals lose a lot of money treating uninsured patients who can't pay," said Phyllis Biedess, AHCCCS director. "Many of these patients now will qualify for AHCCCS, and hospitals should see a reduction in their uncompensated care."

Between now and Oct. 1, AHCCCS has much work to do, including revamping its computer system, informing the public and providers, and phasing in various populations beginning the second

quarter of 2001.

Among the first populations to be phased in will be the MN/MI population. Before this happens, the state must determine whether the counties will continue to perform eligibility determinations for this group or if the task should be consolidated under the Department of Economic Security. Legislation would be required to make the change.

Others who will benefit from Proposition 204 include many elderly on Medicare and many parents of children enrolled in AHCCCS. Because programs like KidsCare already are helping Arizona's children, the Proposition 204 expansion is designed to help adults.

Current estimates are that the state will spend between \$2.43 billion and \$2.69 billion for this expansion over the next five years.

(NOTE: Information for this article was prepared by the AHCCCS Public Information Office. Watch future issues of *Claims Clues* for more information on Proposition 204.) □

ESRD Facility Composite Rates Increased 2.4%

AHCCCS composite dialysis rates for free-standing dialysis clinics have been updated to reflect the 2.4% increase provided by the Benefits Improvement and Protection Act of 2000 (BIPA), effective Jan. 1, 2001.

AHCCCS composite dialysis rates are based on Medicare rates for Arizona.

Medicare is implementing the rate increase in phases. Medicare increased its rates 1.2% effective Jan. 1, 2001. On April 1, Medicare

increased its rates again to the full 2.4%.

Medicare also tacked on a transitional increase of 0.39% on April 1. Medicare chose to implement this temporary increase rather than recalculate all claims paid from Jan. 1 through March 31 to reflect the full 2.4% increase.

The additional 0.39% will be dropped after Dec. 31, 2001.

Rather than adjust rates multiple times, AHCCCS implemented the full 2.4% increase to apply to all services on and after Jan. 1, 2001.

Therefore, although AHCCCS rates will not match Medicare rates exactly until Jan. 1, 2002, AHCCCS will be in full compliance with the provisions of BIPA.

AHCCCS composite payments for dialysis facility claims will reflect the 2.4% rate increase or billed charges, whichever is less.

Additional information on BIPA and Medicare dialysis rates can be found in HCFA Program Memorandum A-01-19, Change Request 1527, available on the HCFA Web site at www.hcfa.gov. □



AHCCCS Web Site Survey



The AHCCCS Administration is constantly striving to make its Internet Web site (www.ahcccs.state.az.us) a valuable, easy-to-access source of information for AHCCCS providers. We would appreciate it if you would take a few minutes to complete this survey. Please return this survey to:

AHCCCS Claims Policy/Training Section
Mail Drop 8100
701 E. Jefferson Street
Phoenix, AZ 85034

You also may fax this survey to the AHCCCS Claims Policy/Training Section at (602) 256-1474.

1. Do you have Internet access at your provider office?

- ☐ Yes ➔ How often do you visit the AHCCCS Web site? ☐ Never ☐ Daily ☐ Weekly
☐ Other _____
- ☐ No ➔ Do you anticipate having Internet access within ☐ 6 months ☐ 12 months
☐ Other _____

2. Would you visit the AHCCCS Web site to verify recipient eligibility/enrollment?

- ☐ Yes ➔ How often? ☐ Daily ☐ Weekly ☐ Other _____
Approximately *how many* verifications in the time period identified above?

☐ No

3. Would you visit the AHCCCS Web site to check the status of your fee-for-service claims?

- ☐ Yes ➔ How often? ☐ Daily ☐ Weekly ☐ Other _____
Approximately *how many* claims in the time period identified above? _____
- ☐ No

4. Would you visit the AHCCCS Web site to update your Provider Registration files (e.g., report an address change)?

- ☐ Yes ➔ How often? ☐ Daily ☐ Weekly ☐ Other _____
- ☐ No

----- **Optional** -----

Provider Name: _____ Provider ID: _____

Name of contact person: _____ Telephone () _____